

SENATE BILL 940

By Watson

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, relative to taxation of property owned
by governmental entities.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-203, is amended by adding the following as a new, appropriately designated subsection:

(f)

(1) If any property owned by the United States is leased to a person or entity, and the person or entity has entered into a payment in lieu of tax agreement with the United States or an agency of the United States, then the property shall be exempt from taxation.

(2) As used in this subsection (f), "payment in lieu of tax agreement" means an agreement requiring that the taxing authorities receive payments or other charges directly from a lessee of property or from any other sources on account of the property.

(3) The exemption provided to lessees pursuant to this subsection (f) shall be provided in the same manner as exemptions from taxation provided under this chapter for property owned by this state or political subdivisions and leased by private lessees making in lieu of tax payments.

SECTION 2. This act shall take effect January 1, 2016, the public welfare requiring it.